



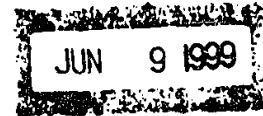
FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20543

June 1, 1999

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SENSITIVE



EXECUTIVE SESSION

MEMORANDUM

TO: The Commission

FROM: Commissioner Mason *Om*

SUBJECT: Pre-MUR 377

I have requested that Pre-MUR 377 be placed on the Commission agenda. This is a sua sponte submission by Joe Sandler for a small company which reimbursed a total of \$4,200 in contributions to federal candidates. Though it is hard to imagine, Joe presents pretty good evidence that the corporate officials were unaware that this is illegal (expense vouchers which explicitly describe the expense as "political contribution," often with the name of a specific federal candidate).

The submission requests that we open a MUR, find RTB on 441a, 441b, and 441f violations and conciliate.

I am considering moving to (1) open a MUR, (2) find RTB, but take no further action on the violations, and (3) direct OGC to send a letter stating that the Commission views violations of this sort as serious matters, but that in view of the relatively small amount of money involved, the apparent non-willful nature of the violations, the sua sponte admission of guilt, and remedial action already taken, we do not view a fine or conciliation agreement to be necessary. Alternatively, I'd be happy to write a statement of reasons to this effect.

As a secondary matter, we should probably ask the corporation to seek a refund of the contributions. The Commission itself may want to advise the recipient campaigns, if for no other reason than that they may be subject to adverse publicity when the file is closed. Given the amount of contribution involved, the campaigns will probably be just as happy to make refunds.

This course of action would acknowledge the violation while requiring minimal use of staff resources, and avoids treating this sua sponte submission more harshly than had the identical matter come in as a complaint. Equally important, it also avoids the Commission simply ignoring (by dismissing without comment) an admitted violation of the Act. To the extent that the agency bar takes this as a signal that we will be reasonable with sua sponte submissions, it may also encourage such submissions in the future. In particular, it may encourage receptivity to the ADR effort.

I'd be pleased to receive comments on my proposed course of action from Commissioners or OGC staff.